



Patrick W. Henning, Director



Arnold Schwarzenegger
Governor

March 11, 2008
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Mr. Stewart Knox, Executive Director
North Central Counties Consortium
1215 Plumas Street, Suite 1800
Yuba City, CA 95991

Dear Mr. Knox:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the North Central Counties Consortium's (NCCC) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities, participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Mr. Gerald Lee from November 26, 2007 through November 30, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by NCCC with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with NCCC representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of sampled case files, NCCC's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on February 4, 2008, and reviewed your comments and documentation before finalizing this report. Because your response

adequately addressed findings 1, 3, and 4 cited in the draft report, no further action is required at this time. However, these issues will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 80043, 80044, and 80045.

BACKGROUND

The NCCC was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, NCCC was allocated: \$263,719 to serve 530 adult participants; \$1,540,644 to serve 393 youth participants; and \$305,339 to serve 308 dislocated worker participants.

For the quarter ending September 30, 2007, NCCC reported the following expenditures for its WIA programs: \$263,719 for adult participants; \$266,029 for youth participants; and \$194,919 for dislocated worker participants. In addition, NCCC reported the following enrollments: 582 adult participants; 360 youth participants; and 290 dislocated worker participants. We reviewed case files for 30 of the 1,232 participants enrolled in the WIA program as of November 26, 2007.

PROGRAM REVIEW RESULTS

While we concluded that, overall, NCCC is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Equal Opportunity (EO) and grievance complaint notices, veteran priority, Unemployment Insurance (UI) eligibility, and supportive services. The findings that we identified in these areas, our recommendations, and NCCC's proposed resolution of the findings are specified below.

FINDING 1

Requirement: 20 CFR 667.600 states, in part, that the local area must provide information required by this section about its programmatic grievance and complaint procedures to participants and other interested parties.

WIAD01-21 requires, in part, that a copy of the Nondiscrimination EO acknowledgement and notice be maintained in each participants file. Also, WIA Directive WIAD03-12 requires, in part, that initial and continuing notice of

the local grievance and complaint procedures and instructions on how to file a complaint must be made available to each participant. Additionally, it requires that a copy of the participant's signed acknowledgement of rights is to be included in each participant's file.

Observation: We reviewed and found that NCCC has a policy regarding an acknowledgement of rights to file grievance complaint and nondiscrimination procedures. However, there were no procedures in the case file for filing a grievance complaint. The NCCC provided a revised copy of their grievance complaint and nondiscrimination policy and indicated that it will provide a copy of the form for the participant to sign.

Recommendation: We recommended that NCCC provide a status of its efforts to ensure that the updated copy of its grievance and nondiscrimination complaint procedures is provided to all active participants and a copy is included in each active participant's case file.

NCCC Response: The NCCC provided a copy of its February 4, 2008 memo notifying its service providers to provide a revised copy of its grievance and nondiscrimination complaint summary to all participants and to obtain a form signed and dated by each participant acknowledging their receipt of the revised nondiscrimination EO and grievance/complaint procedure.

State Conclusion: The NCCC's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, NCCC's successful implementation of its stated corrective action. Until then, this issue remains open and is assigned CATS number 80043.

FINDING 2

Requirement: TEGL 05-13 states, in part, that specific grant language on the veteran's priority will be required to ensure that all grantees are fully aware of the requirements.

WIAD 04-18 states in part, Local Boards must ensure that veterans are afforded priority for DOL-funded employment and training services, if they meet the existing eligibility requirements.

Observation: We observed that NCCC has a policy and procedure in place to give priority to low income individuals, but not to veterans.

Subsequent to our review, NCCC updated their eligibility determination and verification procedure to include priority to veterans. We consider this issue resolved.

FINDING 3

Requirement: WIA 101(9)(ii)(I) indicates the term "dislocated worker" means an individual who is eligible for or has exhausted entitlement to unemployment compensation.

Observation: We found one participant who was enrolled in non-WIA training in the dislocated worker program but was found to be ineligible for UI. Therefore, the participant is ineligible to be a WIA dislocated worker participant.

Recommendation: We recommended that NCCC submit a CAP to CRD indicating how it will ensure that future dislocated worker participants are eligible for or have exhausted entitlement to unemployment insurance compensation.

NCCC Response: The NCCC provided a memo informing their service providers to advise their dislocated worker case managers that if an individual is determined to be ineligible for UI benefits that they are also ineligible for the dislocated worker program.

State Conclusion: The NCCC's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, NCCC's successful implementation of its stated corrective action. Until then, this issue remains open and is assigned CATS number 80044.

FINDING 4

Requirement: WIA 185(c)(2) states, in part, that each local board and each recipient receiving funds shall maintain comparable management information systems designed to facilitate the uniform compilation and analysis of programmatic, participant, and financial data necessary for monitoring and evaluating purposes. In addition, WIA 185(d)(1)(B) states, in part, that information to be included in reports shall include information

regarding the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities.

WIAD04-17 states, in part, that all recipients of WIA funds will submit client data via the JTA system, complying with the specifications for each data field. Additionally, this directive defines activity codes for the enrollment forms.

Observation: We found two case files that showed the participant enrolled in supportive services, but there was no documentation in the case files to support that the participants received these services.

Recommendation: We recommended that NCCC provide CRD with a CAP and a timeline explaining how it will maintain adequate documentation in the case files to substantiate that participants received WIA supportive services. We also recommended that NCCC provide sufficient documentation to CRD to substantiate that the two identified participants received supportive services.

NCCC Response: The NCCC stated that it did not fail to provide documentation of supportive services that were provided. However, NCCC enrolled two participants into supportive services where none were actually provided. The NCCC provided a memo to its service providers to provide information to their staff regarding not enrolling into a supportive services activity until a service has been paid for. In addition, NCCC provided updated enrollment sheets of the two identified participants with their supportive service activity code deleted.

State Conclusion: The NCCC's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, NCCC's successful implementation of its stated corrective action. Until then, this issue remains open and is assigned CATS number 80045.

In addition to the findings above, we identified conditions that may become compliance issues if not addressed. Specifically, we found one participant who received supportive service (i.e., books for a class) and dropped out within two weeks of starting the class. While the participant returned the books to the case manager, NCCC was unable to provide a paper trail to account for the returned items. We suggested that NCCC establish a policy to require case managers to document how returned books or

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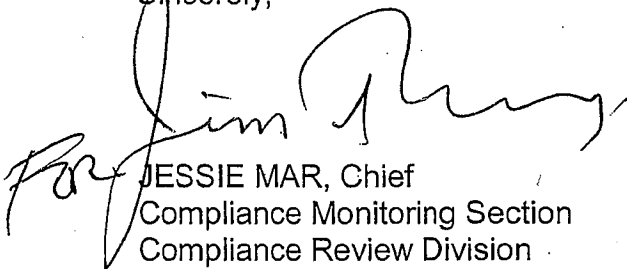
other grant supported material is appropriately accounted for in similar situations in the future. The NCCC did not respond to this concern.

Furthermore, NCCC has not appointed adequate labor union representatives to the Workforce Investment Board (WIB) to ensure that labor union representation equals 15-percent of the WIB members or documentation from a labor union specifying that the union is unable to nominate the necessary candidates as required by SB 293 and specified in WIAD06-21. We suggested that NCCC provide their WIB roster to CRD once it has fulfilled the labor union representation as required in WIAD06-21. The NCCC did not respond to this concern.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is NCCC's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain NCCC's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Mr. Gerald Lee at (916) 654-8270.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Linda Beattie, MIC 50
Shelly Green, MIC 45
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